

## OMNITEK ENGINEERING CORP.

### COMPENSATION COMMITTEE CHARTER

August 3, 2012

#### **Purpose**

The Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Omnitek Engineering Corp., a California corporation (the “**Company**”) is appointed by the Board. This Compensation Committee Charter (the “**Charter**”) specifies the scope of authority and responsibility of the Committee and amends and restates any previous charter of the Committee.

The purpose of the Committee is to:

1. Carry out the Board’s responsibilities related to the compensation of executive officers of the Company;
2. Assist the Board in establishing appropriate incentive compensation and equity-based plans for the Company’s executive officers and to administer such plans;
3. Produce the Compensation Committee Report required by Item 407(e)(5) of Regulation S-K for inclusion in the Company’s proxy statement on Schedule 14A or information statement on Schedule 14C; and
4. Perform such other duties and responsibilities stated in and consistent with the Charter.

#### **Membership and Procedures**

*Membership and Appointment.* The Committee will consist of not fewer than two members of the Board, with the exact number determined by the Board. Members of the Committee will be appointed from time to time by the Board based upon the recommendation of the Nominating and Corporate Governance Committee.

*Removal and Resignation.* The entire Committee or any individual Committee member may be removed from the Committee with or without cause by the affirmative vote of a majority of the Board. Any Committee member may resign from the Committee effective upon giving notice in writing or by electronic transmission to the Chairman of the Board, the Corporate Secretary or the entire Board (unless the notice specifies a later time for the effectiveness of such resignation, in which case the resignation will be effective as of the specified time). The Board may appoint a qualified successor to take office when such resignation becomes effective.

*Qualifications.* The Committee shall be composed entirely of directors who are: (1) "independent," as defined by the applicable rules and regulations of the NYSE Amex (the "**Amex Rules**") and Securities and Exchange Commission, and are free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment; (2) "non-employee directors," as that term is defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended; and (3) "outside directors," as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended.

*Chairperson.* A chairperson of the Committee (the “Chairperson”) may be designated by the Board upon the recommendation of the Nominating and Corporate Governance Committee. In the absence of such designation, the members of the Committee may designate the Chairperson by majority vote of the Committee. The Chairperson will determine the agenda, the frequency and the time of meetings and will have unlimited access to management and information. Such Chairperson will establish such other rules as he or she may from time to time deem necessary and proper for the conduct of the business of the Committee.

*Secretary.* The Committee may appoint a Secretary whose duties and responsibilities will be to keep full and complete records of the proceedings of the Committee for the purposes of reporting Committee activities to the Board and to perform all other duties as may from time to time be assigned to him or her by the Committee, or otherwise at the direction of a Committee member. If no Secretary is appointed, any member of the Committee may serve as Secretary of a meeting. The Secretary need not be a member of the Committee or the Board. The Committee may assign Secretary duties to the Company's legal counsel or to a member of the Company's management team.

*Meetings.* The Committee will meet at such times as determined by the Chairperson. Meetings may be held in conjunction with regularly scheduled meetings of the Board or otherwise. The Committee is generally governed by the same rules regarding meetings (including meetings by telephone or similar communications equipment), written action without meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board. The Committee is authorized and empowered to adopt its own rules of procedure not inconsistent with any provision of the Charter, any provision of the Bylaws of the Company, or the laws of the state of California or any applicable law, rule or regulation of the NYSE Amex. Minutes will be kept of each Committee meeting by the Secretary or another individual designated by the Committee.

*Delegation.* The Committee may, by resolution passed by a majority of the Committee, designate one or more subcommittees, each subcommittee to consist of one or more members of the Committee. Any such subcommittee, to the extent provided in the resolutions of the Committee and to the extent not limited by applicable law or Amex rules, will have and may exercise all the powers and authority of the Committee. Each subcommittee will have such name as may be determined by resolution adopted by the Committee. Each subcommittee will keep regular minutes of its meetings (such minutes may be kept by a member of the subcommittee or another individual designated by the subcommittee) and report the same to the Committee or the Board at its scheduled meetings. Such subcommittee may have a published charter, as determined by the Committee.

*Authority to Retain and Terminate Advisors.* The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has authority to retain outside counsel, compensation consultants to assist the Committee in determining the compensation of the Company's Chief Executive Officer (the "CEO") or other officers, or other experts or consultants, as the Committee deems appropriate, including authority to approve fees and other retention terms. The Committee will be provided with appropriate funding by the Company, as the Committee determines, for the payment of compensation to outside counsel, compensation consultants and other experts and consultants as it deems appropriate, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

*Annual Performance Evaluation.* The Committee will evaluate its performance on an annual basis, either separately or in conjunction with an annual evaluation of the full Board. The Committee will periodically review and reassess the adequacy of the Charter and recommend any proposed changes to the Board (with the goal of reviewing at least once per year).

### **Duties and Responsibilities**

The Committee will perform the duties and responsibilities set forth below. This is to be used as a guide, with the understanding that the Committee may alter or supplement its tasks as appropriate and as permitted by applicable law, regulation or listing requirements.

1. Review and approve corporate goals and objectives relevant to the compensation of the CEO and other officers who are reporting persons under Section 16 of the Securities Exchange Act of 1934, as amended, and the rules thereunder (“**Officers**”).
2. Evaluate the CEO’s and other Officers’ performance in light of such goals and objectives at least annually and communicate the results to the CEO and the Board.
3. Based on the evaluation in paragraph 2 above, establish and approve annually for the CEO and other Officers, the compensation levels for those persons, including, as applicable, (a) base salary, (b) bonus, (c) long-term incentive and equity compensation, and (d) any other compensation, perquisites, and special or supplemental benefits.
4. In determining the long-term incentive component of the CEO’s and other Officers’ compensation, consider, among other items, the Company’s performance and relative stockholder return, the value of similar incentive awards to chief executive officers and other Officers comparable companies, and the compensation provided to the CEO and other Officers in the past.
5. Establish and modify the terms and conditions of employment of the CEO and other executive officers, by contract or otherwise.
6. As and when appropriate, review and approve the following as they affect the CEO and other Officers: (i) any employment agreements and severance arrangements and (ii) any change of control agreements and change of control provision affecting any elements of compensation and benefits.
7. Review the Company’s incentive compensation plans and practices and recommend changes in such plans and practices to the Board. Make recommendations to the Board with respect to incentive-compensation and equity-based plans that are subject to Board approval.
8. Administer the stock plans of the Company in accordance with the terms of such plans, including equity compensation plans that may be adopted from time to time by the Board, such as equity incentive or stock option plans, employee stock purchase plans and 401(k) Plans. Oversee the administration of the Company’s other employee benefit plans
9. Approve equity compensation plans and the grant of equity awards not subject to stockholder approval under applicable listing standards.

10. Make recommendations to the Board regarding the fees and other compensation to be paid to (i) independent directors for their service as directors and as members of committees of the Board, and (ii) members of the Company's advisory board(s), if any.

11. Maintain discretionary authority to interpret provisions of the Company's executive compensation plans.

12. Establish rules necessary or appropriate for administering the Company's executive compensation plans.

13. Determine, in connection with the Company's equity incentive plans, such matters as: eligibility for participation; persons to receive awards; the amount, form and other terms and conditions of awards; the form of agreements pertaining to such awards; the manner and form of deferral elections; or, when appropriate, the authorization of the Company's purchase of its stock for allocation to the accounts of persons to whom awards have been made under such plans.

14. Produce the Compensation Committee Report required by Item 407(e)(5) of Regulation S-K for inclusion in the Company's proxy statement on Schedule 14A or information statement on Schedule 14C.

15. The Committee shall review and discuss the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, recommend to the Board whether to include the Compensation Discussion and Analysis in the Company's annual report on Form 10-K, proxy statement on Schedule 14A or information statement on Schedule 14C.

16. The Committee will ensure that a current copy of this Charter is available to security holders on the Company's web site. If a current copy of this Charter is not so available, the Committee will ensure that management includes a current copy of this Charter in an appendix to the Company's proxy or information statement that is provided to security holders at least once every three fiscal years, or if the Charter has been materially amended since the beginning of the Company's latest fiscal year.

17. Perform such other activities and functions related to executive compensation as may be assigned from time to time by the Board, required by the Company's Articles of Incorporation or Bylaws or required by law or the Amex rules.

### **Reliance on Information Provided**

In adopting this Charter, the Board acknowledges that the Committee members are not necessarily legal experts and are not providing any expert or special assurance as to the Company's legal compliance. Each member of the Committee will be entitled to rely on the integrity of those persons and organizations within and outside the Company that provide information to the Committee and the accuracy and completeness of the information provided to the Committee by such persons or organizations absent actual knowledge to the contrary.

### **Amendment**

The Charter, and any provision contained herein, may be amended or repealed by the Board.